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INTERIM FINANCING PLAN KEEPS WATER IMPROVEMENTS MOVING

MAYOR'S PLAN ALLOWS MUCH NEEDED REPAIRS TO PROGRESS IN ADVANCE OF FULL FUNDING SET TO COME WITH NEW RATE PROPOSAL

The San Diego City Council has approved Mayor Jerry Sanders' plan to secure \$57 million in interim private financing for the City's Water Department. The financing plan is necessary to allow the Department to remain on track in meeting its regulatory requirements under a Compliance Order issued by the California Department of Health Services.

The money will be used to further progress on a number of critical projects initiated with funds from previous Water Department bonds. Due to the City's inability to gain additional public financing, the department has been forced to use cash to continue these projects as required by the State. The interim financing measure approved today will give the department sufficient funding to meet project deadlines and to replenish its cash accounts.

"This private financing package let's us stay on track with the State," said Mayor Sanders. "The fact we were able to secure this package at a reasonable rate says a lot about the banking community's trust in our improving financial condition. I expect that we will be able to retire this debt within the two year term we received as we regain our ability to access public financing markets."

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